

Bruxelles, le 6 octobre 1986

NOTE BIO586) 267 AUX BUREAUX NATIONAUX
CC. AUX MEMBRES DU SERVICE DU PORTE-PAROLE

RENDEZ-VOUS DE MIDI DU 6 OCTOBRE 1986

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SPECIAL ATTENTION WASHINGTON

EEC WARNING AGAINST CONGRESS PROPOSALS ON US PUBLIC
PROCUREMENT POLICY (W.HELIN)

In reply to questions by the press relating to a REUTERS despatch from Washington referring to a demarche by your Delegation vis-a-vis Congressman Traficant's proposal to increase the effect of "Buy American" in US public procurement we have :

1. Confirmed the action and handed out the text of September 29 sent to the Department of State.
2. Drawn the attention of the press to the following passus of the text "The European Community would be obliged to consider the suspension in whole or in part of the application of the Government Procurement Code to the United States".
3. Indicated to the press that Traficant's proposals (priority to US firms if offer from abroad doesn't bear a 5% difference and if the finally assembled product does not at least have a 50% local content) is in full contradiction to the GATT Agreement on Government Procurement.
4. We have also provided the press with a few - scarce factual figures relating to the execution of the 1984 US Government Procurement Code. The figures read as follows :

In 1984 global purchases under the Code in the US amounted to some 20 billion dollars among which 17.6 billion dollars went to US companies and 1.3 billion dollars to EEC companies. We have stressed that procurement by the Department of Defence represents the biggest share of those 20 billion dollars, in that DOD procurement was 15.4 billion for US companies and 1.25 for EEC firms.

We have reminded the press that only a small part of public procurement in USA is covered by the Code and that weapons are not part of it.

Figures relating to similar purchases by European public bodies of US products are unfortunately not available.

Regards,


H. PALMEN